

The Situational Leader
by Matthew Prewitt

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Jack Stahl, a former chief executive at Coca-Cola and Revlon, discusses how great leaders balance their broad strategic missions with constant attention to organizational detail.

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Throughout his tenures as president of Coca-Cola (1978–2000) and CEO of Revlon (2002–2006), Jack Stahl always made sure to jot notes to himself whenever his day-to-day experiences yielded a valuable lesson. Now he has organized those years' worth of notes into *Lessons on Leadership: The 7 Fundamental Management Skills for Leaders at All Levels*. This primer encapsulates Stahl's thinking about nearly every aspect of executive leadership — from hiring, to brand positioning, to insulating assets against currency fluctuation.

The most common leadership deficiency, according to Stahl, is an inability or unwillingness to focus on the details needed to implement any strategic approach. The best leaders, he believes, are “situational” — they are able to step into any circumstance and recognize whether they need to engage at the strategy level or dive into the nitty-gritty.

To illustrate this point, he cites an experience with his mentor, former Coca-Cola CEO Doug Ivester. Early in Stahl's career, Ivester tasked him with preparing the prospectus for the public offering of Coca-Cola's bottling division — a team project with a firm deadline. Stahl made the mistake of delegating the components of the project without putting adequate oversight in place. When Ivester asked to review an early draft, Stahl real-

ized that it was far more incomplete than he'd thought — for starters, the new company's phone number was missing from the first page — and that he bore ultimate responsibility. Ivester worked late into the night to make sure Stahl knew what he had to do to catch up and finish the project. The lesson for Stahl was that Ivester's effectiveness as a leader derived from his skill at combining high-level oversight of the organization with the ability to delve into detail when necessary.

Stahl sat down with *strategy+business* in New York in July to discuss his approach to leading the C-suite.

S+B: How do you maintain tight oversight and a willingness to engage in details while resisting micro-management?

STAHL: By training others to focus on details, you reduce the need for micromanagement. After that experience with Doug Ivester, I'd learned my lesson, and we never went through a similar exercise again. At that point, he could talk to me about the new company's strategy.

Doug had the ability to balance out both sides of the leadership coin. He was an abstract thinker who could sit down and say, “Okay, what's going to be most important once this new company gets on its feet? What are the key strategic issues?” But if he hadn't had that meeting with me and been willing to sit there until 2:00

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in the morning, we weren't going to get that company formed. And he was smart enough to know we needed a plan. So, for me, that's a critical differentiator.

This is a role that I have played with up-and-coming leaders since then. I have sat down with people until all hours of the night, helped them see the holes in their work, and helped them gain that respect for detail. And it is not fun, because nobody wants you to do that. The normal reaction is, "Get out of my face and let me do my job." People usually don't want that help, but it absolutely pays off.

My point is that management is not a popularity contest. Everybody in an organization has got to be focused on details. As a leader, once you see that people are doing that successfully, then you pull back and worry about things from a more strategic perspective.

S+B: In what ways did your leadership techniques adjust to changing times during your 22 years at Coca-Cola?

STAHL: Well, the biggest change during that time frame was the volume of information. Coca-Cola operates in 180 countries, and 30 years ago, if you were in headquarters, you might hear from a top 10 market, like Brazil, once a month; you'd get a telefax that described its operating results. Maybe you visited Brazil once a year, and maybe they came to Atlanta once a year, and there was the occasional telephone contact.

Today you have a greater volume of data. You can have much greater awareness of what's happening on the ground in 180 countries around the world. The challenge as an executive is to focus your information systems, your metrics, and your meeting routines in a way that highlights the key drivers of the business, so that you can be productive with your time.

For my money, the greater amount of information is good. It gives you a better view of where the systemic opportunities and problems are. You don't need to be involved in every decision, but you can have much greater visibility into the quality of management routines and processes in place around you. So pressure and accountability are increased, which I don't think is a bad thing.

Being able to see systemic opportunities in data is a major leadership skill. For example, when I took responsibility for Coke's North American soft drink business, the per capita consumption for our products was about 400 drinks per person per year. That's a huge number. That's more than one Coca-Cola product per day — for everybody! But part of the job was to set a destination. We said, "Let's aim to take that to 600." How could we do that? Well, we knew that in certain parts of the country, the per capita was already 800 drinks, and in certain parts it was 100, and that's how it got to that average of 400. So we came up with specific goals, focusing on the lower-consumption areas, and suddenly increasing the size of the business by 50 percent seemed feasible.

S+B: Both Coke and Revlon are models of effective branding. How did you apply both strategic thinking and attention to detail to your branding efforts?

STAHL: It starts with having a clear, coherent brand strategy — what it is that you believe your brand delivers. In Revlon's case, for instance, it was the idea of "confident sexiness." Beyond that, it's very much the leader's responsibility to make sure that you have day-to-day processes in place that ensure every marketing dollar is focused against the core message of your brand. At Revlon, we took all of the people who were in a position to impact the marketing of the brand — salespeople,

who did it in stores; production people, who did it with packaging; marketing people, who did it with advertising and promotional support — and made sure we were communicating the brand message to them and talking about how to reinforce it.

In order to communicate that sort of message to a whole company, it's necessary to be alert to details within an organization, including details about people. One of the things that I talk about is knowing who the broadcast towers are. A broadcast tower is someone who carries undue influence: You find them by walking the halls, interacting with people, and seeing who's being talked to informally. You need to ask things like, "Whom do people pay attention to in the finance department?" You'll get the answer: "They listen to Steve." Often these people have some qualities in common — they're frequently analytical people who seemingly keep to themselves, who have been around for a long time and thus have credibility by virtue of tenure. Knowing who those unspoken leaders are and then spending disproportionate time with them is very important. You'll want to go to them and explain your marketing strategies, for example, so that that person is positioned to help be a positive influence. Because if you don't, and these people are not well-informed, you are going to spend significantly more time going to other people and correcting what he's telling them.

S+B: What companies have recently benefited from that type of strong brand leadership?

STAHL: I think Coach has done a very good job. Originally, that brand was established by quality leather products. And then, years ago, the brand slid. It became tarnished, lost its image. But if you walk into their stores today, they reinforce that original essence of their brand, with the traditional products very well-made and well-merchandised. And then there's exciting marketing around it that builds new legs for the brand for the future. They send a core message, and they've reinforced it. That gives them license to build around the edges, to expand the brand. The company's done terrifically. And I think their CEO must have played a role in leading that process; it's apparent that the core message of the brand is well understood throughout the organization, and that carries through to consumers.

On the other hand, think about the Oldsmobile brand. When I was growing up, it was a very fashionable, elite symbol. Well, that brand did not keep up, and it wasn't rejuvenated. It wasn't reenergized. Too late, it was

decided that there would be a marketing campaign, which you may remember: "This is not your father's Oldsmobile." It told you what it wasn't, but it never really told you what it was. And my father's Oldsmobile was great, in its time. So I think they missed it conceptually, and they certainly never redefined what that brand could look like and should look like, so the brand died.

S+B: There's a trend toward greater interaction among corporate leaders and their counterparts in the civil and public sectors on issues such as global health, infrastructure, and the environment. How do your ideas help guide leaders through this complex environment?

STAHL: Those changes are prompting organizations to broaden their goals. Fundamentally, business leaders just need to set a destination for their organization and plan the actions that are required to get from here to there. But one of the things that I talk about is the importance of responding to your constituencies as you set that direction — the constituencies that are important to you and to your company. Clearly identifying these constituencies is a prerequisite for intelligently prioritizing your resources in the organization. Ten or 20 years ago, the obvious constituencies were your shareholders, your retailers, your consumers, and your organization. Today the number of constituencies has broadened dramatically, particularly for far-reaching companies and organizations. They now include communities, governments, and nongovernmental organizations, all of which are playing a greater role in the dialogue with businesses.

Wal-Mart, for example, is beginning to do a very effective job of listening to that wider community. They've thought about their role in the environment,

and it's causing them to have very different, more proactive relationships with communities and governments around the world. And they're implementing programs that support that idea. For example, they're requiring their suppliers to adjust their packaging to eliminate waste. That's done in response to the demands of a broader community. They're doing a great job. +

Resources

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